

SENATE BILL 796

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4 and Section 67-6-224, relative to tax
credits for certain employers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2109, is amended by adding
the following as a new, appropriately designated subsection:

(q)

(1) A job tax credit on the lesser of five thousand dollars (\$5,000) or
twenty percent (20%) of gross annual wages for each veteran hired shall be
allowed against a taxpayer's franchise and excise tax liability; provided, that:

(A) The veteran is a Tennessee resident;

(B) The veteran was unemployed for four (4) weeks or more
during the six-week period immediately preceding the hiring by the
taxpayer seeking the job tax credit pursuant to this subsection (q);

(C) The veteran served on active duty after September 11, 2001;

(D) The veteran was hired on or after January 1, 2015;

(E) The taxpayer maintains documentation evidencing that the
veteran was called into active military service of the United States, as
defined in § 58-1-102, and served honorably, as defined in § 49-7-102;
and

(F) The veteran was employed by the taxpayer seeking the job
tax credit pursuant to this subsection (q) for more than:

(i) One hundred eighty (180) consecutive days if the veteran was unemployed for less than six (6) months; or

(ii) Thirty (30) consecutive days if the veteran was unemployed for six (6) months or more.

(2) Notwithstanding subdivision (q)(1), a taxpayer that qualifies for hiring a veteran as provided in subdivision (q)(1) is allowed to carry forward unused job tax credit until fully utilized.

(3) For purposes of this subsection (q):

(A) "Gross annual wages" means all compensation for services, including commissions and bonuses that would be earned within a calendar year; and

(B) "Veteran" means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

SECTION 2. Tennessee Code Annotated, Section 67-6-224, is amended by adding a new subsection (j) as follows:

(j)

(1) A taxpayer shall be eligible for a credit of all state sales or use taxes paid to this state, except tax at the rate of one-half percent (0.5%), on the sale or use of qualified tangible personal property, if the taxpayer has established its international or national headquarters in this state and has previously been a "qualified headquarters facility" that elects to expand its headquarters facility by either:

(A) Making a minimum capital investment of at least ten million dollars (\$10,000,000) and creating at least one hundred (100) new full-time employee jobs in conjunction with the expansion and remodeling of the facility; or

(B) Making a minimum capital investment of at least fifty million dollars (\$50,000,000) and creating at least fifty (50) new full-time employee jobs in conjunction with the expansion and remodeling of the facility.

(2) For purposes of this subsection (j):

(A) “Minimum capital investment”:

(i) Means an investment by the taxpayer and the lessor to the taxpayer, during the investment period, in a building or buildings, either newly constructed, expanded, or remodeled;

(ii) Includes, but is not limited to, the purchase price of an existing building and the cost of building materials, labor, equipment, furniture, fixtures, computer software, parking facilities, and landscaping; and

(iii) Does not include land or inventory; and

(B) “Qualified tangible personal property”:

(i) Means building materials, machinery, equipment, furniture, and fixtures used exclusively in the qualified headquarters facility and purchased or leased during the investment period and computer software used primarily in the qualified headquarters facility and purchased or leased during the investment period; and

(ii) Does not include:

(a) Supplies or repair parts;

(b) Payments with respect to leases of qualifying tangible personal property that extend beyond the investment period; and

(c) Materials, machinery, equipment, furniture, or fixtures that replace tangible personal property that previously generated a credit under this section.

SECTION 3. Section 1 of this act shall take effect January 1, 2016, the public welfare requiring it. Section 2 of this act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to minimum capital investments, as defined in this act, beginning on or after July 1, 2015. All remaining sections of this act shall take effect upon becoming a law, the public welfare requiring it.